

CalPERS defends investment plan

By Dale Kasler, Sacramento Bee

CalPERS pushed back against Gov. Jerry Brown on Friday, defending an investment strategy the governor had labeled “irresponsible.”

Rob Feckner, CalPERS’ board president, issued a statement saying Brown’s alternative plan “would have caused financial strain on many of California’s local municipalities who are still recovering from the financial crisis.”

After more than a year of studying the issue, the board of the California Public Employees’ Retirement System approved a plan this week that’s designed to gradually reduce its investment risk – and its expected returns as well. The plan is expected to reduce the CalPERS “discount rate,” a forecast of annual returns, to 6.5 percent in 21 years. The rate is currently 7.5 percent.

Read the whole story